

0005



## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas & Mining

JOHN R. BAZA  
Division Director

JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

#### Representatives Present During the Inspection:

OGM	Pete Hess	Environmental Scientist III
Company	Dan Guy	

## Inspection Report

Permit Number:	C0070022
Inspection Type:	COMPLETE
Inspection Date:	Tuesday, April 28, 2009
Start Date/Time:	4/28/2009 9:00:00 AM
End Date/Time:	4/28/2009 2:30:00 PM
Last Inspection:	Tuesday, March 31, 2009

Inspector: Pete Hess, Environmental Scientist III

Weather: Clear and warm; windy.

InspectionID Report Number: 1983

Accepted by: jhelfric  
5/5/2009

Permittee: **SAVAGE SERVICES CORP**

Operator: **SAVAGE SERVICES CORP**

Site: **SAVAGE COAL TERMINAL**

Address: **6340 S 3000 E STE 600, SALT LAKE CITY UT 84121**

County: **CARBON**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

#### Current Acreages

153.46	Total Permitted
132.50	Total Disturbed
	Phase I
	Phase II
	Phase III

#### Mineral Ownership

- ☐ Federal  
☐ State  
☐ County  
☐ Fee  
☒ Other

#### Types of Operations

- ☒ Underground  
☒ Surface  
☒ Loadout  
☐ Processing  
☐ Reprocessing

#### Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The Permittee continues to meet the Special Permit Condition relative to the required quarterly electronic submittal of surface and ground water monitoring data to the Division. 4th quarter 2008 data has been uploaded from the "pipeline" into the OGM permanent data base by State personnel.

Mr. Boyd Rhodes has announced his retirement from Savage Services Corporation; Mr. John Walters is the new site Manager.

Mr. Kelly Flint is the new Senior Vice-President and Senior Counsel, the position previously held by Mr. James T. Jensen.

Inspector's Signature: \_\_\_\_\_

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

Date: Wednesday, April 29, 2009

**Note:** This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801  
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • [www.ogm.utah.gov](http://www.ogm.utah.gov)

Permit Number: C0070022  
 Inspection Type: COMPLETE  
 Inspection Date: Tuesday, April 28, 2009

## Inspection Continuation Sheet

Page 2 of 4

### REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
  - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
  - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**1. Permits, Change, Transfer, Renewal, Sale**

The Permittee submitted a permit renewal application to the Division on March 16, 2009 Task ID # 3262). In addition to the permit renewal application, the Division is currently reviewing an updated version (R645) of the mining and reclamation plan (Task ID # 3222). The public notice notification was printed in the Sun Advocate on Tuesday, April 21, 2009. Mr. H. Benson Lewis is now the Resident Agent for Savage services Corporation; Blackhawk Engineering Corporation is preparing amendments to correct this ownership and control information in both the current MRP and the updated MRP (Task ID # 3222, currently under review within the Division).

**3. Topsoil**

The Division has recommended that the Permittee evaluate the topsoil and subsoil piles constructed next to the four fine coal settling basins for vegetative growth. The piles are roughened, with large water harvesting depressions, but to date, sprouting is not evident this year.

**4.a Hydrologic Balance: Diversions**

The Permittee has redefined the disturbed area ditch CD-6, which reports to pond #1.

**4.b Hydrologic Balance: Sediment Ponds and Impoundments**

Mr. Guy conducted the first quarter of 2009 impoundment inspections for ponds 1,2,3, 5 and 6, as well as the four fine coal settling basins on March 4, 2009. All sediment ponds were noted as stable, with no sign of erosion; no compliance issues were noted on 3/4. The tipple is currently running coal slurry to fine coal settling pond #3, with the overflow reporting into pond #4, as designed. The material in cell #1 appears to be dry enough that the Permittee can initiate cleanout.

**4.d Hydrologic Balance: Water Monitoring**

February 2009 discharge monitoring reports for outfall 001 (CV-15-W / pond 6 discharge / open ditch to permit boundary), and the SUM A report were reviewed for record maintenance and timely submittal. Both were reported as "no discharge". No permit infractions were identified. Blackhawk Engineering had just received the March 2009 DMR's in the US Mail from the Permittee's water monitoring contractor..

**7. Coal Mine Waste, Refuse Piles, Impoundments**

Although no activity was occurring during today's inspection, the Permittee continues to recover coal waste from the north side of the waste disposal facility. The first quarter 2009 waste rock pile inspection for the Savage disposal area was performed by Blackhawk Engineering for the Permittee on March 4, 2009. There were no safety hazards identified on March 4, or during today's inspection. The MSHA identification sign is in place. Drainage controls are in place and appear capable of functioning. The Permittee's inspection report received a P.E. certification on the same day as the inspection (Dan Guy on 3 / 4 / 2009).

**9. Protection of Fish, Wildlife and Related Environmental Issues**

The Permittee, through Blackhawk Engineering Company, recently updated and recertified (March 26, 2009 by Mr. Guy) the spill prevention control and countermeasure plan for this site. No new bulk storage tanks have been added; the updated information includes new responsible individuals. The SPCC plan is a section of the storm water pollution prevention plan, and is kept on file at the Savage site. Final processing of this updated information by Blackhawk is pending. Five egrets were observed resting on the inslope of the west bank of slurry impoundment #2 during today's inspection.

**13. Revegetation**

See comment under Section 3.

**17. Other Transportation Facilities**

The Permittee, the State of Utah, representatives from several coal companies throughout the area and the Union Pacific Railroad were involved with a track scale test procedure during today's inspection. The track scale is outside of the Permit Boundary, within the railroad right-of-way.

**19. AVS Check**

This is being evaluated as part of the Savage permit renewal process.

**20. Air Quality Permit**

The current Air Quality Approval Order was issued May 15, 2008. Water applications to the haul road surfaces at the site were evident this day. The site was receiving high velocity winds during the early afternoon hours. Opacity levels observed behind the haul trucks appeared to be in compliance with the requirements of the AO.

**21. Bonding and Insurance**

The DOGM holds a surety bond for the reclamation of this site in the amount of \$ 2, 525,000; the surety is Liberty Mutual Insurance Company, which has an AM Best rating of "A". This information is current as of March 31, 2009.

**22. Other**

Blackhawk Engineering Company provided a copy of the 2008 Annual Report for the Coal Terminal to the DOGM Price Office on April 28, 2009. Review is pending.